INTERIM 2003 REPORT

20TH LEGISLATIVE DISTRICT

Rep. Gary Alexander

Rep. Richard DeBolt

Dear Friends,

The 2003 legislative session was a resounding victory for the taxpayers of Washington, families who need jobs, and the employers who provide those jobs. The extra 31 days of special session were long and frustrating, but well worth the effort.

At the end of the 2003 regular legislative session in April, lawmakers adjourned with a proposed \$360 million tax increase on the table and very little to show for our push to create new job opportunities for Washington's working families. There were successes in the first 105-day session, such as our legislation to keep convicted murders from being released. But we knew we had more work to do to accomplish our primary objectives of creating jobs and restoring the public's trust in government.

Critical to the trust issue was our ability to have government share in the challenges of these difficult economic times by balancing the budget without raising taxes. We know families have had to make hard decisions and it was time for government to do the same.

In the end, a bipartisan coalition of lawmakers prevailed and adopted a no-new-tax budget that focuses limited resources on our most pressing priorities and protects services for the truly needy.

As always we welcome your questions and concerns regarding legislative issues. Our job is to serve you, as well as represent you, so please contact us if we can help.

Sincerely,

Lacy C. Cyunda

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NO-NEW-TAX-BUDGET: They said it couldn't be done

With our state facing the worst economic recession in a generation, House and Senate Re-

publicans felt it was imperative that the Legislature not place a greater burden on taxpayers in our state. The state budget deficit was approaching \$3 billion, yet we insisted that government establish priorities and make the tough choices to achieve those priorities while living within our means, just as families must do.

House Democrats proposed a \$360 million tax increase, while making deep cuts in services for the elderly, the developmentally disabled and other vulnerable citizens. It would have been irre-

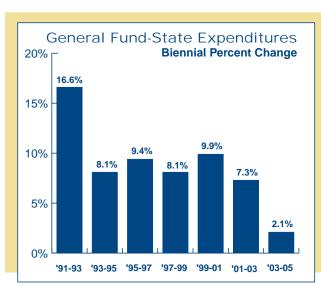
sponsible to raise taxes on families in our state, many of whom have lost their jobs.

In the end, we adopted a bipartisan operating budget that requires no new general fund taxes.

Your survey responses overwhelmingly indicated that lawmakers should make government should live within our means – and that's what we did.

The budget avoids drastic cuts in services for developmentally disabled and troubled youth. It protects health care services for children living at up to 250 percent of the federal poverty level, it streamlines the state-funded Basic Health Plan so that we continue to provide health care coverage for 100,000 low-income citizens, and in-

that we continue to provide health care coverage for 100,000 low-income citizens, and increases funding for the K-12 class-size initiative form \$212 to \$254 per student, reflecting our continued commitment to education.



The two-year operating budget approved in June represents 2 percent growth in spending over the previous biennium, the slowest rate of growth in 40 years.

We'd like to hear from you!

If you have questions or ideas about issues being addressed by the Legislature, we'd like to hear from you. Please provide the information below. You may also contact us directly via e-mail at:

alexande_ga@leg.wa.gov or debolt_ri@leg.wa.gov

Name	
Address	
E-Mail	
Comments:	

Solutions for a better economy by creating jobs for families

While we believe government is on the right fiscal path, our economy clearly is not. Our state's unemployment is among the highest in the nation, at 7.7 percent, with Lewis County, at over 9 percent unemployment, facing very difficult job prospects. Other Washington communities face similar challenges, and the prospect of losing Boeing, Washington's largest private employer, as an anchor tenant of our state's business community has captured the attention of lawmakers throughout the state.

It's become clear that Washington is no longer a competitive place to do business and lawmakers had to act. We worked with a coalition of businesses, labor groups and government to adopt reforms that would help restore our economy and bring jobs to our state.

Historic tax reforms

One of the main obstacles to bringing jobs to Washington is our state's enormously expensive unemployment insurance and workers' compensation systems. It's not hard to understand why.

Boeing pays a payroll tax of \$772 per employee in Washington. By comparison, the company pays \$378 per worker in California and \$482 per employee in Oregon. In Kansas, which is a leading contender for the 7E7 jetliner project, Boeing pays only \$105 per worker.

Similarly, worker's compensation rates increased on average 29 percent in 2003. Without reforms in the current system, job providers faced similar if not higher increases in 2004. These are some of the many areas in which our state is not competitive, not just for Boeing but all employers.

We brought our state's business community, workers and lawmakers together to adopt reforms to protect workers and control costs for employers who have been paying into a program that costs three times the national average.

Striving for flexibility in water policy

Our water resources, already stretched between the needs of fish, agriculture, economic development, and hydropower generation, have been put at further risk by government's snarled water management approach. We have worked to ensure that the integrity of the state's western water law is maintained, that existing water rights of Washingtonians are upheld, and that proper planning is put into place to ensure continued water resources are available.

This session we adopted several reforms to protect water right holders from having their water rights taken away and improve flexibility for communities that have run into needless obstacles when trying to expand water use in order to accommodate economic development and residential needs of growing populations. We also passed legislation to implement a statewide planning process for watersheds that will help us protect our supply of clean, usable water for the future.

Giving local communities control over planning decisions

Among the lessons of this recent economic downturn is that communities cannot take economic growth for granted. Rural communities have been at odds with state government for years over the one-size-fits-all planning process dictated by the Growth Management Act (GMA), which often strangles economic development efforts for communities desperately in need of jobs.

We supported several measures this session to give control over planning decisions back to communities. Legislation was introduced to limit the authority of the state growth hearings boards, that have repeatedly struck down locally developed comprehensive plans.

We also sought to allow rural counties to opt out of the GMA. Unfortunately, Gov. Gary Locke vetoed the opt-out provision, keeping rural communities under the heavy hand of state planners.



As Deputy Republican Leader, Rep. DeBolt was instrumental in developing the House Republican agenda to create jobs and restore trust in government.

Investing in transportation to get results

Our transportation infrastructure continues to stifle our economy and quality of life here in Western Washington. This year the Legislature responded to this pressing issue with a new 10-year, \$4.2 billion budget that focuses money where it's needed most – on our congested roads.

We support the effort to invest in our transportation needs, but ultimately, we voted no on the package. The budget calls for a one-time, 5-cent-a-gallon increase in the gas tax, which was a user fee we were willing to support. However, the new tax package also included a 15 percent increase in weight fees for commercial trucking and a 0.3 percent sales tax on vehicle purchases, which we could not support, so we voted no.

The package did pass, however, and for an extra nickel on the gas tax, our communities will receive a substantial return, including \$46 million to expedite construction of additional lanes on I-5 between Maytown and Rush Road. We will also receive \$3 million for flood control measures that will help prevent closure of major arterials in Lewis County during flood seasons.

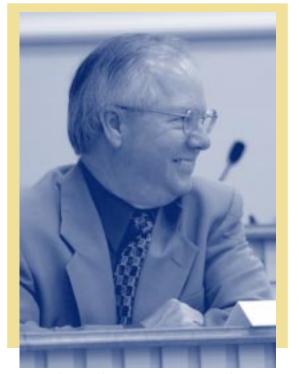
Once these projects are completed and the bonds for them are paid off, the budget calls for the 5-cent gas tax increase to be eliminated.

Improving accountability in transportation

As we fix our roads, we also have work to

do to make some major repairs in public confidence that has resulted largely from the mismanagement of Sound Transit. We made progress in some areas, such as Senate Bill 5748, which authorizes regular performance audits of the Department of Transportation to help find ways for the state to get the most construction and give motorists the most benefit for their money.

The Legislature fell short in other efforts to improve efficiency, including a Republican proposal to allow the department to contract out more work through competitive bidding to the private sector.



Rep. Alexander serves as ranking Republican on the House Capital Budget Committee, identifying needed construction projects and bringing jobs to the communities that need them.

Easing road maintenance requirements

The cost and difficulty of complying with the road

maintenance provision of the state's forest and fish plan had placed an unreasonable expense on timberland owners.

The Legislature adopted House Bill 1095, which excludes driveways and areas that are not timberland from the definition of "forest road." The bill also exempts primary residential parcels up to 2.5 acres and all lands used primarily for agricultural purposes regardless of size. Requirements are streamlined for small forest landowners who harvest less than 2 million board feet of timber per year and no small forest landowner would be required to comply with the road maintenance provisions until they plan to harvest their timber.

Lifting of trapping ban snared by governor's veto

We were disappointed by the governor's decision to veto the bill that would have lifted the ban on trapping nuisance animals. The Legislature approved Senate Bill 5179 that would have created a permit system for trapping problem animals that cause damage to public and private property.

The bill balanced the desire for humane treatment with the need to employ trapping as a professional wildlife management tool. The governor's own director of the Department of Fish and Wildlife and the chair of the Fish and Wildlife Commission wrote a letter urging him to sign the bill. Instead, the governor bowed to special interests and vetoed the measure.

This veto will result in continued property damage and potential public safety risks in rural areas plaqued by mismanagement of wildlife populations.

Health care system still on life support

Our rural health care providers are struggling under a besieged statewide health care system strangled by high legal and regulatory costs. Too many government mandates make health insurance costly and force more lower- and middle-income workers to go without coverage. Small group reform is still needed to help employers offer affordable coverage to their employees.

The price of insurance that doctors and hospitals need to protect themselves from multi-million dollar lawsuits is forcing many health care providers to leave the state or stop offering services. Medical malpractice insurance reform would bring down the cost of insurance, keep physicians in practice, and reduce the overall cost of health care.

We did make a small step in the right direction with prescription drug legislation designed to save the state money when it purchases medications for people who rely on government-funded health coverage. But more needs to be done to ensure low-income seniors have access to the prescriptions they need.





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